

## Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 IO-13  
ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06  
AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04  
NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00  
CEA-01 /112 W

-----078792 241916Z/40

P R 241450Z JUN 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8581  
INFO OECD CAPITALS  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
MAMEMBASSY DAMASCUS 106-107  
AMEMBASSY DAR ES SALAAM  
AMEMBASSY GUATEMALA  
AMEMBASSY ISLAMABAD  
AMEMBASSY LAGOS  
AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMEMBASSY MANILA  
AMEMBASSY MANAGUA  
AMEMBASSY MEXICO CITY  
AMEMBASSY MOSCOW  
AMEMBASSY NDJAMENA  
AMEMBASSY NEW DELHI  
AMEMBASSY SAN SALVADOR  
AMEMBASSY SEOUL  
AMEMBASSY TEHRAN  
AMEMBASSY TEL AVIV  
USINTERESTS BAGHDAD

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C O R R E C T E D C O P Y -- T E X T

EO 11652: NA  
TAGS: UNCTAD  
SUBJ: UNCTAD: PREPARATORY MEETING ON COTTON, JUNE 20-24

1977

1. THE FIRST MEETING OF THE UNCTAD PREPARATORY CONFERENCE ON COTTON RESULTED IN ANOTHER SETBACK FOR THE UNCTAD INTEGRATED PROGRAM FOR COMMODITIES. THE JUNE 20-24 MEETING REVEALED SIGNIFICANT DEVELOPING COUNTRY OPPOSITION TO INTERNATIONAL BUFFER STOCKS. ALTHOUGH THE MEETING AGREED THAT THE CONFERENCE SHOULD MEET AGAIN AT THE LEVEL OF GOVERNMENTAL EXPERTS, IT CLEARLY SIGNALLED THE CONFERENCE WOULD NOT SUPPORT BUFFER STOCKS FOR COTTON.

2. THE OUTCOME OF THE MEETING WAS LARGELY DETERMINED IN THE PRODUCERS' GROUP WHERE OPPOSITION TO BUFFER STOCKS FROM THE U.S. AND THE MAJORITY OF LATIN AMERICAN COUNTRIES AND THE OPAQUE RESERVE OF THE USSR FRUSTRATED THE EFFOTS OF AFRICANS AND ASIAN COUNTRIES TO OBTAIN A PRODUCER ENDORSEMENT OF BUFFER STOCKS. THE UNCTAD SECRETARIAT'S EFFORTS TO STAGE MANAGE DEVELOPING COUNTRY PRODUCERS THROUGH ADVANCE MEETINGS IN CAIRO, CARACAS AND GENEVA WITH SELECTED COUNTRIES PROVED EMBARRASSING WHEN MANY OF THE COUNTRIES ATTENDING THOSE MEETINGS AND MOST OF THOSE NOT ATTENDING DISASSOCIATED THEIR GOVERNMENTS FROM THE REPORTS ON THE MEETINGS. EL SALVADOR, GUATEMALA AND COLOMBIA SPOKE OUT STRONGLY IN OPPOSITION TO BUFFER STOCKS AND RECEIVED SUPPORT FROM BRAZIL, NICARAGUA AND ARGENTINA. WITH VARYING DEGREES LIMITED OFFICIAL USE

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OF ENTHUSIASM AND EFFECTIVENESS, EGYPT, NIGERIA, TURKEY, PERU AND MEXICO URGED BUFFER STOCKS AS THE PRINCIPAL INTERNATIONAL ACTION TO CURTAIL EXCESSIVE FLUCTUATIONS IN COTTON PRICES. CHAD EXPRESSED INTEREST IN ANY MEASURE WHICH WOULD STABILIZE ITS FOREIGN EXCHANGE EARNINGS. THE DELEGATIONS OPPOSING BUFFER STOCKS EXPRESSED FEAR THAT STOCKS WOULD DEPRESS PRICES, INHIBIT ADJUSTMENT OF SUPPLY AND DEMAND IMBALANCES AND OBSTRUCT PRODUCING COUNTRIES FROM MAKING MOST EFFECTIVE USE OF THEIR RESOURCES. SEVERAL PRODUCING COUNTRIES NOTED THAT ENERGY COST INCREASES AND OTHER EXTERNAL FACTORS MAY HAVE BEEN AS IMPORTANT IN CAUSING RECENT PRICE FLUCTUATIONS AS INTERNAL COTTON MARKET FORCES. SUPPORTERS OF BUFFER STOCKS EMPHASIZED THE DESIRABILITY OF SAFEGUARDING DEVELOPING COUNTRIES FROM HAVING TO SELL COTTON AT LOW PRICES. THE USSR SAID THE MAJORITY OF ITS COTTON WAS SOLD TO SOCIALIST COUNTRIES AT STABLE PRICES AND THAT IT WAS PREPARED TO PARTICIPATE CONSTRUCTIVELY IN DISCUSSIONS AIMING AT ELABORATING MEASURES TO STABILIZE INTERNATIONAL COTTON MARKETS IN WHICH PARTICIPATION WOULD BE VOLUNTARY. CONSUMING COUNTRIES NOTED CONCERNs ABOUT THE TECHNICAL AND ECONOMIC

FEASIBILITY OF BUFFER STOCKS BUT EXPRESSED WILLINGNESS  
TO PARTICIPATE IN FURTHER WORK AT THE EXPERT LEVEL ON  
POSSIBLE MEASURES TO REDUCE EXCESSIVE FLUCTUATIONS IN  
PRICES.

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INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 IO-13  
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CEA-01 /112 W  
-----076543 241828Z/45

P R 241450Z JUN 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8582  
INFO OECD CAPITALS  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
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3. THE MEETING GAVE LIMITED ATTENTION TO OTHER MEASURES. SEVERAL PRODUCING COUNTRIES EXPRESSED INTEREST IN IMPROVED AVAILABILITY OF INFORMATION ON INTERNATIONAL COTTON MARKETS AND OTHERS SAID ENHANCEMENT OF DEMAND FOR COTTON THROUGH MARKET PROMOTION AND RESEARCH AND DEVELOPMENT WAS ESSENTIAL. THE MEETING DID NOT DISCUSS ISSUES RELATING TO COTTON YARN, MARKET ACCESS OR HARMONIZATION OF PRODUCTION WITH SYNTHETIC PRODUCTION AND DID NOT RECOMMEND THAT THE MEETING AT THE EXPERTS LEVEL CONSIDER THESE ISSUES. THE MEETING ALSO EXPRESSED APPROVAL FOR THE WORK OF THE ICAC AND IIC AND ASKED THAT THESE ORGANIZATIONS BE INVITED TO PARTICIPATE IN THE FURTHER WORK OF THE CONFERENCE.

4. DECISION OF THE MEETING FOLLOWS BY SEPTEL. SORENSEN

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COTTON, COMMODITIES, LESS DEVELOPED COUNTRIES, PRICES, COMMITTEE MEETINGS  
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**Copy:** SINGLE  
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**Decapton Date:** 01-Jan-1960 12:00:00 am  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977GENEVA05164  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770239-1192, D770227-0027  
**Format:** TEL  
**From:** GENEVA  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770620/aaaaaria.tel  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** c0634977-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2039144  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNCTAD: PREPARATORY MEETING ON COTTON, JUNE 20-24 1977  
**TAGS:** OCON, EPAP, PORG, ETRD, XX, UNCTAD  
**To:** STATE  
**Type:** TE  
**vdkgvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/c0634977-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009